

# **FISCAL NOTE**

## **SB 2310 - HB 2834**

February 18, 2000

**SUMMARY OF BILL:** Amends the law on certificate of need (CON) by extending the current moratorium on nursing home beds under the 10 bed/10 percent rule until June 30, 2001. Limits the growth of Medicare skilled nursing facility (SNF) beds to 125 between July 1, 2000 and June 30, 2001. Allows no more than 30 beds to each applicant. Current law allows 125 from July 1, 1999 to June 30, 2000.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact:** TennCare/Medicaid expenditures are not estimated to increase as a result of this bill. The TennCare Bureau has implemented a global funding cap for nursing home reimbursement based upon the budgeted appropriation; however, the reimbursement rate for nursing home beds may be impacted.

Because of the global cap on Medicaid reimbursement, any growth in nursing home beds could decrease the average daily reimbursement. However, any reduction or increase would be dependent on funds appropriated for this budget item. Without a limitation on new certificates of need, the number of nursing home beds could be expected to grow significantly.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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